



# Inserts industry report 2012

June 2013 edition

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# Introduction

The DMA Inserts Council monitors insert volumes across all major UK magazines, newspapers and, from 2011, third-party mailings (see the separate *Third party inserts industry report* on the DMA website). The monitor is a useful tool used by media owners, media agencies and clients to gauge trends within the inserts industry.

The following report will guide you through the annual trends within the UK inserts market alongside commentary from leading figures in the industry. It looks at trends within magazines, daily newspapers, Sunday newspapers, Saturday and Sunday supplements, and insight into annual and quarterly trends.

Unlike other media channels it is very difficult for media monitoring companies to monitor inserts. Picking up one copy of one magazine or newspaper does not tell the whole story as insert campaigns can be very targeted. Many advertisers will insert regionally, some titles let you demographically target and, in extreme cases, you can target by job title.

Even without specific targeting, it is an advantage of inserts that you can test a part-run in order to de-risk a campaign and gauge response across a range of titles. This is why the DMA Inserts Council's *Inserts industry report* is the most accurate research on insert volumes; as all of the data comes directly from publishers, it takes into account all part- and full-run activity.

You can find our more information on planning insert campaigns, including insert targeting, in the *Inserts best practice guidelines* on the DMA website, where you can also find historic insert monitors and, coming soon, a combined newspaper, magazine and third-party inserts industry report.

The DMA Inserts Council is very grateful to all parties who supply their data to the inserts industry reports. If you want to contribute to the industry report, or suggest any improvements, feel free to contact myself or any other member of the DMA Inserts Council.

**Parry Jones**  
**Director, The Insert House**  
**Member, DMA Inserts Council**

# Findings

## 1. Overview

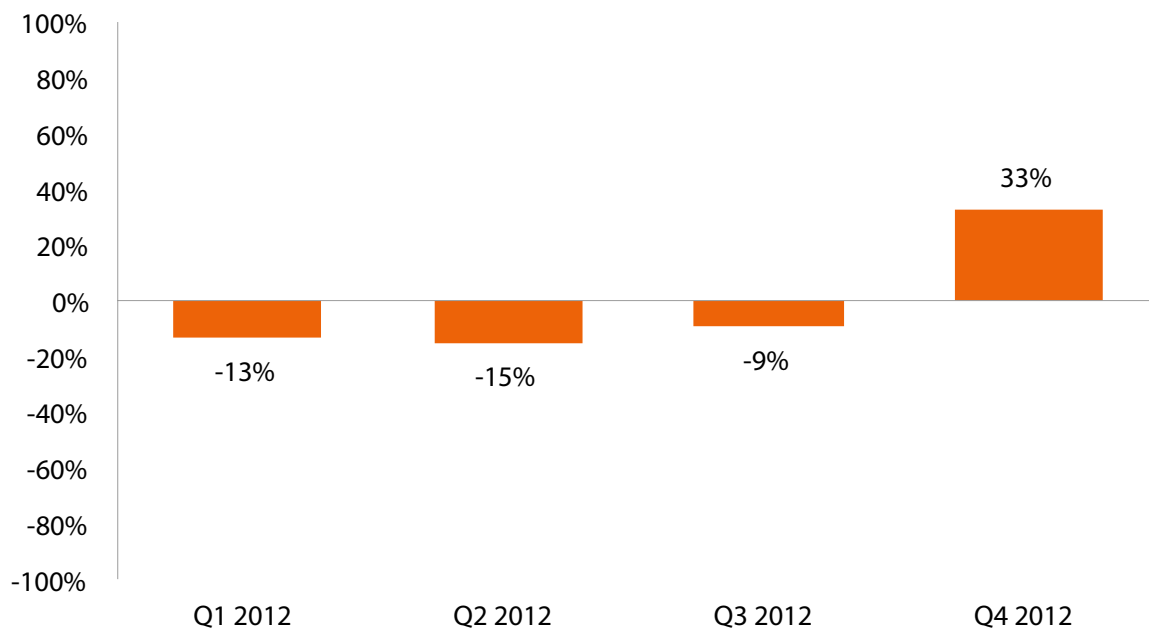
Overall 2012 saw a 3% annual decline on 2011 insert volumes within newspapers and magazines combined. Although at first glance this seems negative, in context this is a sign that the inserts industry is strong.

2012 experienced significant declines in newspaper and magazine circulation figures and a number of magazines and regional newspapers closed down. This resulted in reduced insert availability across the market (so in fact media owners sold a higher percentage of their availability in 2012 vs 2011).

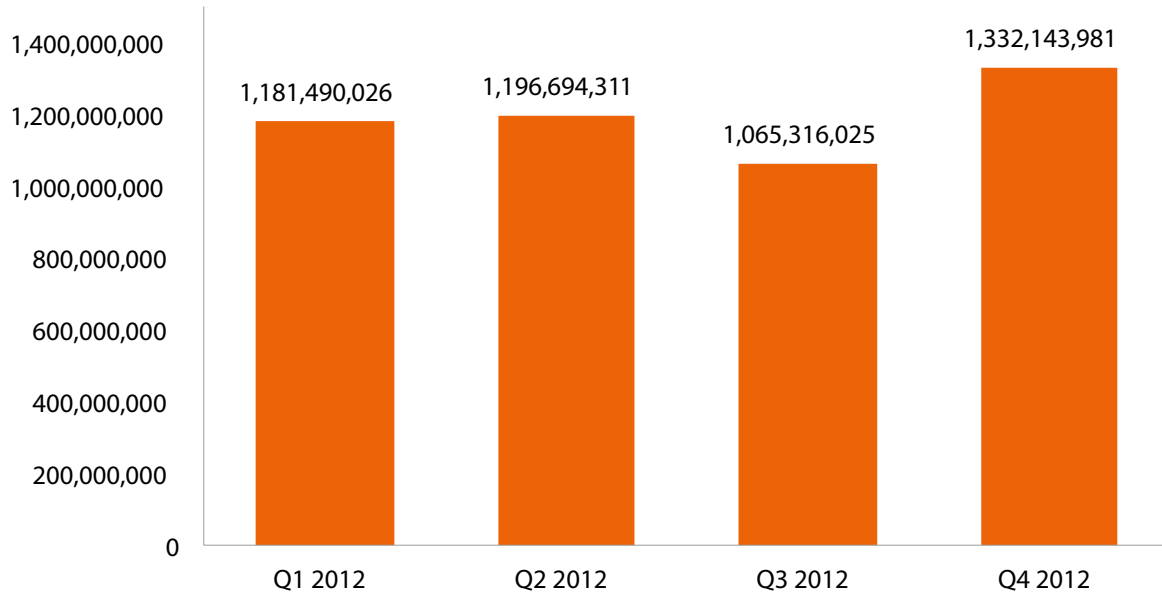
Royal Mail increased its costs in 2012 affecting the costs of direct mailed titles plus there were two major sporting events to contend with. Despite all of this, the 2012 insert volumes remain above 2010 and 2009 levels.

## 2. Quarterly trends

Q1, Q2 and Q3 2012 were down vs 2011 figures (down 13%, 15% and 9% respectively). However Q4 saw a real surge in the industry – volumes were up a massive 33% in Q4 (2012 vs 2011). This can be partly put down to the effect of the Olympics and to a lesser extent Euro 2012. Traditionally direct response advertisers, the lifeblood of the inserts industry, reduce advertising around major sporting events. This may partly explain the decline in Q2 and Q3 and the subsequent lift in Q4.

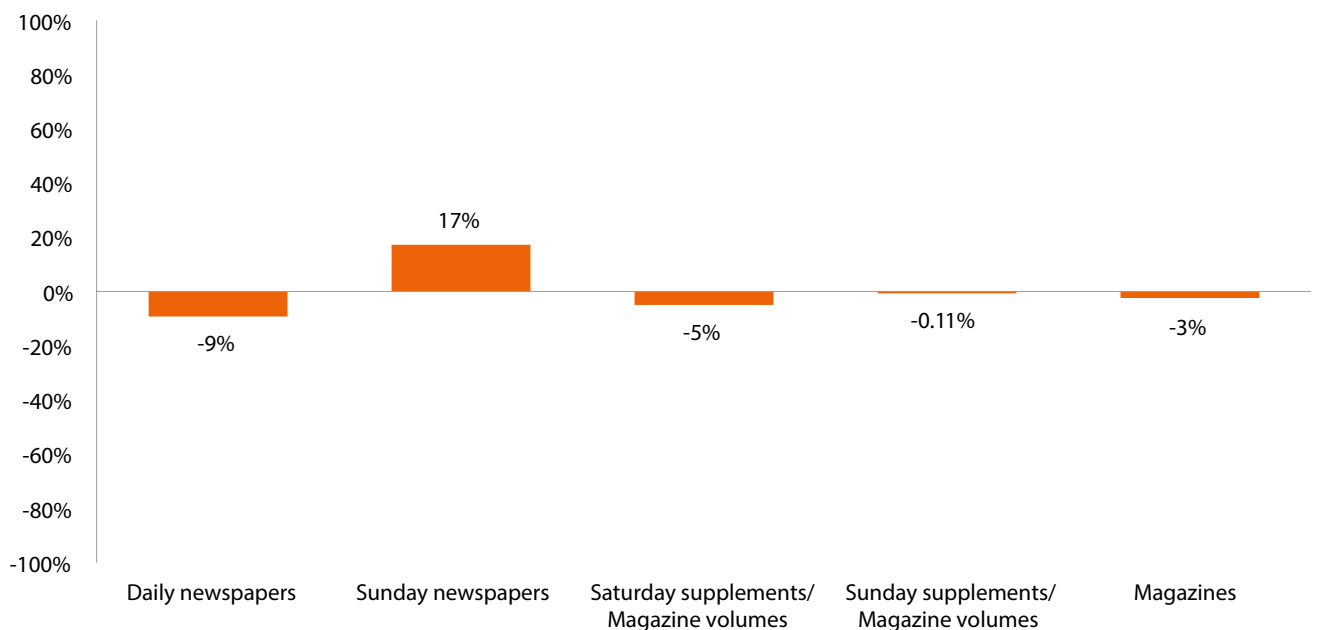


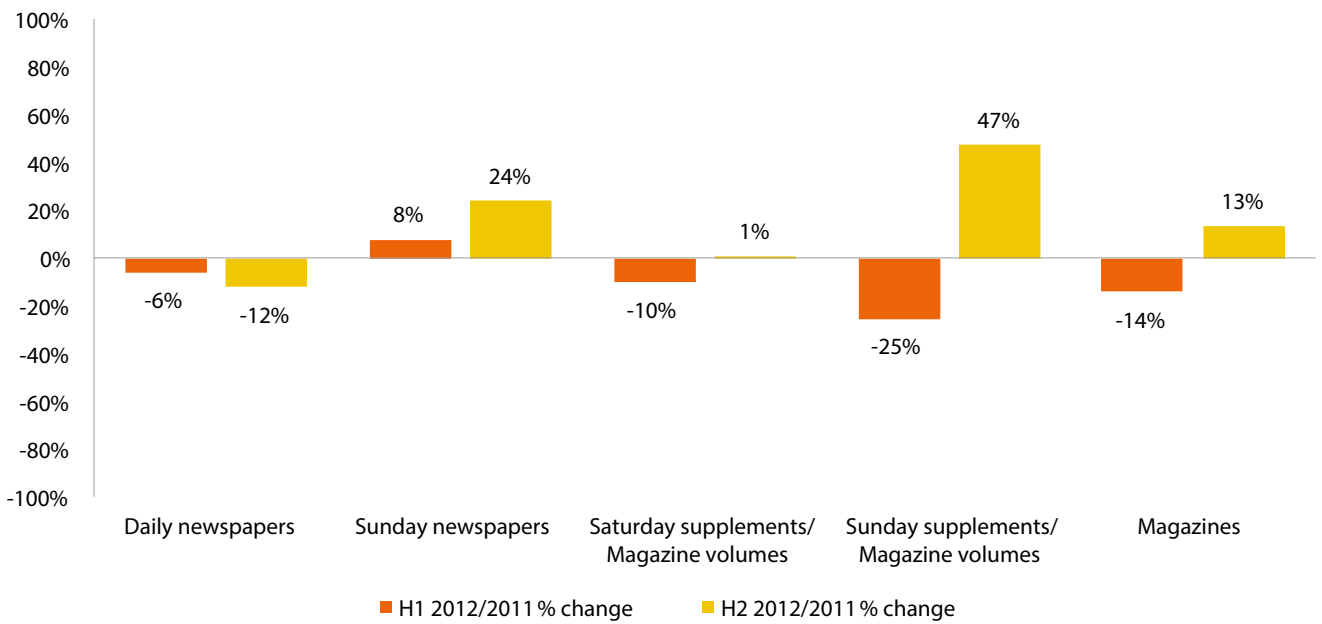
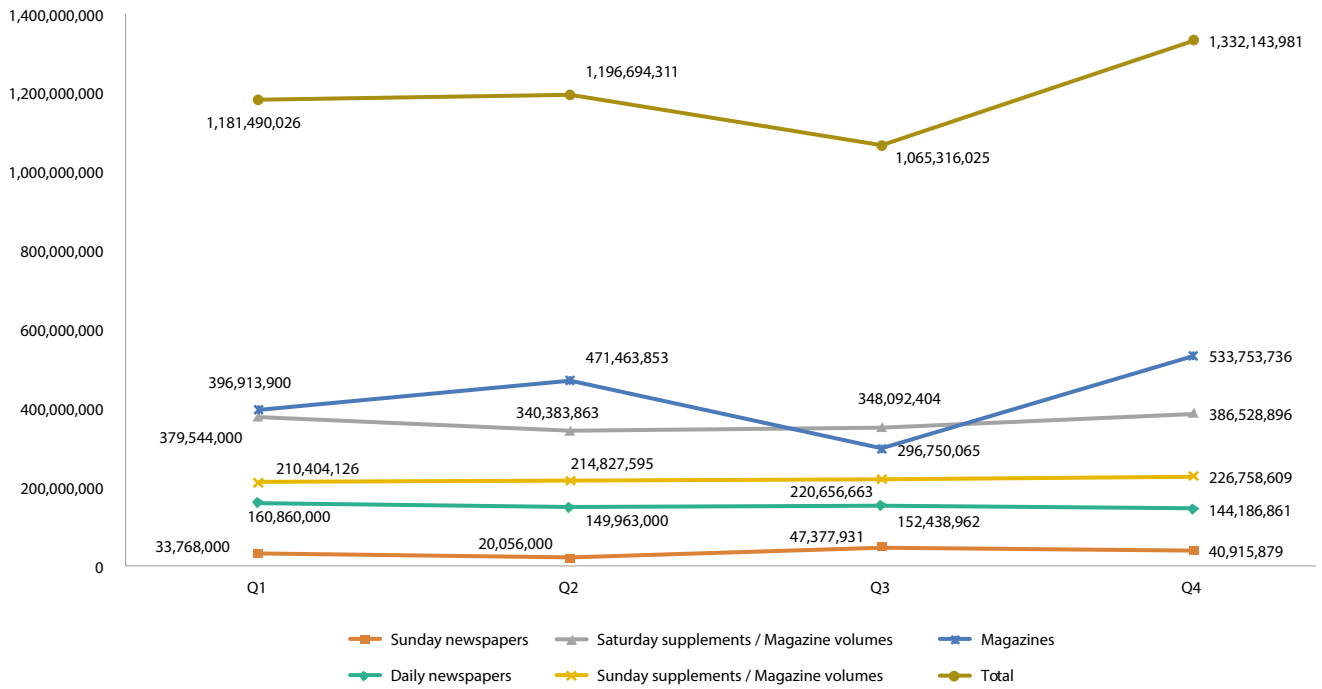
The major year-on-year (YOY) uplift in Q4 means that it is now the biggest quarter for insert activity, mirroring findings from the *Third party inserts industry report*. This is an interesting trend, which the DMA Inserts Council will monitor next year. There is certainly strong evidence to suggest that consumers are making Christmas purchasing decisions much later in the year than ever before, with more trust in the ability of mail order and online business' to deliver presents ordered in December. With no Olympics or major football championships coming up in 2013 it will be an interesting trend to monitor.



### 3. Volumes by distribution method

The big growth area in 2012 was within Sunday newspapers, which showed a 17% year-on-year increase from 2011. The major news in this sector was the launch of the *Sun on Sunday* in March and subsequent battle for Sunday superiority with the existing Sunday papers. Outside of the Sundays, the rest of national press saw some decline as did magazines, although this sector rallied significantly in the back half of the year.





## 4. Trends across different sectors

Determining trends across different sectors is not an easy task and we have attempted for the first time this year to try and explain a few trends with the help of figures submitted by a few respondents. The following comments by our DMA Inserts Council members illustrate the reasons for the highs and lows across the different sectors.

### 4.1 Declan Boyle, Advertising Sales Director – Innovator, IPC Media

Ranked by Volume	Category Analysis (2012 vs 2011 YOY)	% Difference YOY
1	Telecoms, Broadband & Media	-25%
2	Fashion Clothing	-26%
3	Home Shopping	-113%
4	Household & Furniture	18%
5	Scratchcards & Bingo	6%
6	Insurance	7%
7	Retail	120%
8	Mobility	39%
9	Charity	24%
10	Travel & Tourism	-63%
11	Beauty & Cosmetics	-37%
12	Mail Order Collectables	9%
13	Publishing	101%
14	Electricals & Technology	-84%
15	Food & Drink	66%
16	FMCG	-67%
17	Education	2629%
18	Govt	83%
19	other	5%
20	Finance	-46%
21	Health & Wellbeing	-29%
22	Jewellery	-39%
23	Art & Exhibitions	-2%
24	Gardening & Outdoor	691%
25	Utilities	-89%
26	Automotive	-91%
	<b>Grand Total</b>	<b>-15%</b>

The main volume downside is from the telecoms, broadband, media category. Despite some upside from 3G, BT and Plusnet YOY the main brand(s) driving downside were BskyB and 02. BskyB are obviously the main player within this sector and given its downside is significant (at least for me) and it's the biggest user of inserts in the direct response (DR) market it might be worthy of note and should be explained further if Bauer has experienced similar declines.

Equally, fashion & clothing is also significantly down YOY; largely driven by JDW. However, other brands driving downside include Joe Browns, Beaconsfield, Boden, Bravissimo, Daxon, New Look, La Redoute, Secret Sales, FCUK, and Laura Ashley. The main thing of note is the downside is being delivered across all age sectors/sub sets within this category.

Electricals & technology is driven by Dell Computers and increased competition from the likes of Apple and Samsung.

However, upside and therefore potential to drag some positive stories out of an otherwise difficult 2012 might be the (tentative) recovery of the following sectors/markets. I'm aware this analysis is obviously centric to our business and there have been large swings within each sector, but I think there is sufficient reason and evidence outlined below to get a strong message out that inserts still lie at the heart of many acquisition campaigns despite the big swings across the likes of BskyB/JDW.

- Retail (eg Sainsbury's, Ocado, Tesco)
- Household & furniture homes market (eg Hillarys Blinds, Made.com, Albion Baths, Bathstore)
- Mobility (eg Acorn Stairlifts, Great British Mobility)
- Insurance (eg Axa, L&V, Admiral, Churchill)
- Charity ( eg WWF, NSPCC, National Trust, Crisis, Age UK, British Heart Foundation)

#### 4.2 John Stevens, Director, Amra Direct

Ranked by Volume	Category/Sector analysis (2012 vs 2011 YOY)	% Difference YOY	% of Total Vol
1	Telecoms, Broadband & Media	14%	26.96%
2	Retail	-9%	22.99%
3	Insurance	36%	15.78%
4	Fashion & Clothing	6%	6.50%
5	Home Shopping	31%	6.30%
6	Utilities	92%	5.80%
7	Scratchcards & Bingo	44%	4.99%
8	Travel & Tourism	-42%	2.44%
9	Property	-52%	1.44%
10	Health & Wellbeing	-19%	1.17%
11	Charity	-51%	0.88%
12	Food & Drink	198%	0.61%
13	Household & Furniture	-70%	0.56%
14	Mail Order Collectables	37%	0.49%
15	Jewellery	40%	0.49%
16	Betting	0%	0.49%
17	Gardening & Outdoor	-30%	0.48%
18	Finance	2253%	0.44%
19	Electricals & Technology	-83%	0.31%
20	Education	-6%	0.30%
21	FMCG	100%	0.22%
22	Beauty & Cosmetics	23%	0.21%
23	Publishing	51%	0.07%
24	Art & Exhibitions	41%	0.07%
25	Other	50%	0.02%
26	Government	-100%	0.00%
27	Mobility	-100%	0.00%

Retail was down as we saw the effects of the poor economy reflected in the lower spend levels of the major chains and the closures of some like TJ Hughes. There was also positive changes as some of the grocers branched out into non-food areas and inserts offered the perfect medium to promote such breadth of range.



Media saw a positive rise last year as the big players Sky and Virgin developed their extensive history of inserts to identify their core clients and offer them their add-on products. The development of broadband, TV and multi-packages offered the clients numerous products to market and optimise their insert usage.

Insurance saw a dramatic increase in 2012 as Axa fought to maintain its market share against the increasing threat of LV. Other more bespoke insurers were also present in the market as they looked to capitalise on consumer promiscuity.

Energy saw the benefits of such market proliferation as the big players like British Gas looked to reduce the threat from EDF and other regional suppliers. The price war early in the year also gave clients the need to educate confused consumers and recruit new ones.

The entertainment sector was heavily buoyed by the investment of scratch card clients like Tombola and European Lottery. This diminished over the year as results wore off.

Finance continues to struggle to become the mass volume sector it was in days gone by. The market fragmentation and emergence of comparison sites have meant that the consumer is now easily able to distil which company/product is suitable for their needs.



# Methodology

The data was collected at the end of every quarter of 2012 by surveying the UK inserts market. This report has charts and tables for Q1, Q2, Q3 and Q4 with annual figures for 2012.

All the data collected is confidential and only aggregate figures are reported. The data was collected between March 2012 and March 2013. The figures cover January-December 2012. The sample consists of companies involved in inserts marketing in the UK. However, the figures are not representative of the total industry as they represent only a proportion of the market. Third-party inserts are not included and are covered in a separate report.

The data was collected and analysed in-house by the DMA's researcher. Members of the DMA Inserts Council contributed to the commentary.

The DMA Inserts Council provides information and support via research and industry figures. The council produces a quarterly inserts industry report that shows the total number of inserts that have been placed in a selection of markets (magazines, weekend papers etc).



# Appendix

Consumer perceptions of inserts 2006

<http://dma.org.uk/toolkit/consumer-perceptions-inserts-2006>

Insert response and the internet 2009

<http://dma.org.uk/toolkit/insert-response-and-internet-2009>

Inserts -top tips for environmental best practice

<http://www.dma.org.uk/toolkit/inserts-top-tips-environmental-best-practice>

Third-party inserts best practice guidelines

<http://www.dma.org.uk/toolkit/thirdparty-inserts-best-practice-guidelines>

Inserts best practice guidelines

<http://www.dma.org.uk/toolkit/inserts-best-practice-guidelines>

How much response goes online?

<http://www.dma.org.uk/toolkit/how-much-response-goes-online>

Inserts industry report Q3 & Q4 2011

<http://www.dma.org.uk/toolkit/annual-inserts-industry-report-2011>

Third-party inserts report 2012

<http://dma.org.uk/toolkit/thirdparty-inserts-industry-report-2012>

# About the DMA

The Direct Marketing Association (DMA) is Europe's largest professional body representing the direct marketing industry. With a large in-house team of specialists offering everything from free legal advice and government lobbying on direct marketing issues to research papers and best practice, it is always at the forefront of developments in the industry.

The DMA protects the direct marketing industry and consumers. It promotes the highest standards through selfregulation and lobbies against over-regulation. The DM Code of Practice sits at the heart of everything we do – and all members are required to adhere to it. It sets out the industry's standards of ethical conduct and best practice.

Our 16 DMA Councils cover the whole marketing spectrum – from the digital world of social media and mobile marketing to the 'real' world channels of door drops and inserts. The Councils are made up of DMA members and regularly produce best practice and how to guides for our members.

We also have a packed calendar of conferences, workshops and discussions on the latest topics and best practice, and 80% of them are free for members and their staff.

As the industry moves on so do we, which is why we've recently launched a number of new services for our members – a VAT helpline, a Social Media Helpdesk and an IP Protection Service.

Visit [www.dma.org.uk](http://www.dma.org.uk) regularly to keep up to date with all our services.





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